REMARKS

Selected Claims have been amended to remove various limitations to thereby broaden the claims and to clarify that the transmission to the maker bank is not through the bank of first deposit for the check. Claims 140-180 have been withdrawn as non-elected claims. Additionally, new dependent claims 181-183 have been added to further protect applicants' invention.

Claims 47, 75 and 103 have been amended to remove the limitations "initially" and "or a print site" in the last element of the claims to provide more definiteness to the claim. These claims have also been amended to remove the language "is not a bank of first deposit for these checks," and "remote" and replacing it with —is separate from the MICR capture, deposit accounting, cash management, and float processing systems for a bank of first deposit---, to thereby clarify that the central system is not operating within the MICR capture, deposit accounting, cash management, and float processing systems for a bank of first deposit, whether or not it is co-located with a bank. Rather, it is a separate service system that is not a part of the MICR capture, deposit accounting, cash management, and float processing systems of the bank of first deposit. In this regard, see Fig. 1, wherein the deposit systems and cash management systems 103 and 104 for the bank of first deposit are separate from the operations of the central system 102 and the description at page 29 relating to step 619. Also, the elements on detecting image errors at the central system and sending a communication to the remote site to obtain a correction has been removed. A new element has been added that reads "the central system performing at least one of sorting the received deposit information and error checking the received deposit information in advance of the MICR capture, deposit accounting, cash management, and float processing systems of each of the different banks of first deposit designated in the respective deposit account designations in the deposit information." The element of receiving from the remote site "endorsed and/or voided check image data" has been removed. Also, the last step has been amended to include transmitting also to a Federal Reserve Bank or to a correspondent bank. Finally, note that the term "check image data" is intended to be interpreted broadly to cover the images of the front and/or back of a check, with or without a payee endorsement or a bank endorsement. Various of the dependent claims have also been amended.

GROUNDS OF REJECTION

The grounds of rejection to be reviewed are stated in the office action to be:

A. the rejection of claims 47-60, 75-88, 103-116 and 119-139 under 35 U.S.C. § 103(a) as being unpatentable over the four reference combination Geer, U.S. Patent No. 5,930778 (hereinafter Geer), in view of Lowery, U.S. Patent No. 6,189,785 (hereinafter Lowery), in view of Hanaoka et al., U.S. Patent No. 6,257,783, (hereinafter Hanaoka) and further in view of Campbell et al., U.S. Patent No. 5,373,550 (hereinafter Campbell). Selected claims will be argued below under separate headings.

ARGUMENT

A. The rejection of claims 47, 75 and 103 under 35 U.S.C. § 103 as being unpatentable over the four reference combination Geer, U.S. Patent No. 5,930778, in view of Lowery, U.S. Patent No. 6,189,785, in view of Hanaoka et al., U.S. Patent No. 6,257,783, (hereinafter Hanaoka) and further in view of Campbell et al. (hereinafter Campbell), U.S. Patent No. 5,373,550 is respectfully traversed.

1. The Four-Reference combination does not disclose a central operation for serving multiple different banks of first deposit located between a remote receiving site and the different banks of first deposit and receiving check image data from the remote site, as recited in the claims.

Claims 47, 75, 103 all require the receipt of check data from a remote site, and processing and subsequent transmitting of the processed data to multiple different banks of first deposit (*"the central system receiving deposit information for a plurality of different deposit transactions, with the deposit information including for each of the different deposit transactions a deposit account designation, electronic check data and check image data for at least one check to be deposited, wherein the central system is separate from MICR capture, deposit accounting, cash management, and float processing systems for a bank of first deposit and wherein the deposit account designation for each of at least a subset of the plurality of the deposit transactions is to a different bank of first deposit;" "the central system transmitting the electronic deposit data and optionally the check image data for each different deposit transaction of the subset of the plurality of the deposit transactions to a*

respective different one of the banks of first deposit.") These limitations are absent from the cited references.

Specifically, Geer discloses an operation and a transmission between a check payee receiving station 4 (see Fig. 1 of Geer) to a bank of first deposit 10, and from the bank of first deposit to Federal Reserve Payment System 12 (see column 9, lines 29-41). It does not disclose a central operation in advance of plural different banks of first deposit that services multiple different banks of first deposit, much less one using check image data as part of the transaction in the clearing process with maker banks or a Federal Reserve Bank or correspondent bank.

Additionally, Geer does not disclose the sending of check images of any kind to a maker bank. Rather, in one embodiment Geer discloses the transfer of an image 7 from the remote site such as a telephone company (col. 6, line 51), to the bank of first deposit for the telephone company for purposes of "processing and archival storage." (Emphasis added.) See column 10, lines 1-3. There is no recognition of the use of an image as a fundamental part of the transaction with the maker bank or Federal Reserve Bank or correspondent bank.

Hanaoka relates to a printer and a printer control method which may be used to print checks. Note that the reference has no pertinence since the limitation that it was cited for by the examiner was dropped in a previous response.

Lowery relates to point of sale operations and transmissions of check data with no transmissions to banks of first deposit. The only communication with a bank of first deposit is by the ACH/Federal Reserve system. See element 126 in Fig. 2b.

Campbell discloses transmissions between a bank of first deposit 36 and a payor (maker) bank 34. See Figs. 1 and 2 and column 2, lines 36-49, which clarifies that the disclosed operation is for check clearing, not operation as a central receiving and distribution site in advance of and operating to transmit to multiple different banks of first deposit in multiple different deposit procedures.

Since none of the references disclose this feature of transmission to multiple different banks of first deposit, the combination of these references, even if they could be combined to

obtain an operable system (which they cannot), and even if there was a motivation in the art to one of ordinary skill to take these references and create an operable system that meets this limitation (which there is not), would still not supply this deficiency.

Note that the examiner has stated that Fig. 1 shows the central system as the bank of first deposit. This is not correct. Fig. 1 is clear on its face that the bank of first deposit 101 and its cash management and deposit systems 103 and 104 are operationally separate from the central system 102 from a system standpoint. In one embodiment of the invention the central system may be co-located at a bank. Whether or not there is co-location with a bank of first deposit has no bearing on the invention. The systems are separate. Applicants have demonstrated herein that one of the features of the invention is a central receiving and distribution function for multiple different banks of first deposit. See page 5, lines 21-24 of applicants' specification that makes reference to multiple banks of first deposit, "As an alternative, if the remote site or central system is being used as a collection center for deposits from other institutions, the deposit information can be passed to the other institutions check processing, deposit, and cash management, etc. for processing" ; and page 25, lines 12-17 that makes reference to multiple central systems. In all circumstances, whether or not there is co-location, the central system and the bank of first deposit system are different. Thus, for the purposes of this amended claim it is possible that a bank of first deposit could be co-located with the central system, but it would operate separate from the bank of first deposit, with different program systems.

Note that even assuming that the examiner was correct (which she is not) that the central system is merely a bank of first deposit (which the specification makes clear it is not, i.e., in all cases the central system program system is different from the bank of first deposit program system), none of the prior art used by the examiner discloses a bank of first deposit that operates as a receiving site for multiple other banks of first deposit. In other words, the claim is patentable even with the examiner's incorrect assertion.

The examiner states at page 5 of her office action that Geer does not disclose the situation where the central system is not a bank of first deposit for these checks. The examiner then argues that employing a central system to handle deposited checks is well known in the art, so that it "would have been obvious to one of ordinary skill in the art at the

time the invention was made to modify Geer's system to incorporate the feature above for the purpose of providing more efficiency in processing the deposited checks." However, there is no possible reason why a bank of first deposit would set up a central system to process checks for other unrelated banks of first deposit. Thus, such a modification is not obvious in Geer and would not provide "more efficiency on processing the deposited checks" in the Geer operation.

2. **The transmitting step from the central system directly or indirectly to the maker bank or a Federal Reserve Bank or a correspondent bank and not through the MICR capture, deposit accounting, cash management, and float processing** systems of **the bank of first deposit** (*"the central system transmitting electronic check data and the check image data directly or indirectly to a maker bank or a Federal Reserve Bank or a correspondent bank with the transmitting being in advance of the MICR capture, deposit accounting, cash management, and float processing systems of the bank of first deposit for that deposit transaction."*) **is not disclosed in the prior art.**

The language for this element covers direct and indirect transmissions from the central system to the maker bank or the Federal Reserve Bank or correspondent bank.

Geer does not disclose or suggest this limitation. Referring to the Summary and Objects of the Invention in Geer, with reference to the only disclosed embodiment teaching to image the paper check and then truncate the paper check at the remote site, it is stated as follows at column 4, line 54- column 5, line 9:

> "In one embodiment, electronic scanning means at a first location established by the payee receives the financial instruments, scans and extracts necessary data therefrom including the data of the magnetic ink character recognition (MICR) line of the instrument, adds necessary data such as the amount and a document identification number to the electronic information associated with each check, and sends this electronic information to the payee's depository bank for further electronic sorting and processing both with regard to the introduction of the checks into the payment system and the crediting of funds represented by the checks to the payee's account at the bank, as the payee processes the check in its own record of account with the check payor. In this first embodiment, the paper financial instruments are typically imaged (electronically, digitally, optically, on microfilm or disk, or otherwise) for archival storage at the payee's location remote from the payee's depository

bank, substantially contemporaneous with the capture of the financial or other information on the instrument. The paper instrument itself may then be disposed of, eliminating the need for any additional mechanical sorting, indorsing or imprinting by either the payee or the payee's depository bank." (Emphasis added.)

See also column 8, lines 9-21 as follows:

In FIG. 1, box 7 indicates the creation of an image of the check for archival storage 8 prior to possible disposition of the paper instrument 9. An image of the physical check is created. This image is preserved and may be reproduced as a copy of the check for purposes of signature comparison, amount verification, etc. if needed. The image may be an optical or electronic gray-scale or color image of the check maintained in archival storage in pixel-by-pixel digital, optical, magnetic, electronic, fully optical or other storage technology from which information can be derived. Alternative storage mechanisms include microfilm, video tape, laser disc or other tape or direct image storage technology. (Emphasis added.)

With respect to the Geer's column 9, see lines 1-4, as follows:

In FIG. 1, the image 7 is stored at the payee's location in an archival storage facility 8. However, this image of the check may also be transmitted electronically to the bank along with the other information extracted from the check. (Emphasis added.)

See also column 9, lines 11-34 as follows:

The information from the electronic scanning 6 performed at the payee's location is transmitted via a suitable communication link 11 to the depository bank 10. At the depository bank, the appropriate adjustments of the payee's account balances by the depository bank are carried out 13. The payee's account is credited with the appropriate amounts as such are compiled by the payee and the information thereof is received electronically from the payee. The electronic check information is sorted and routed via 14, with appropriate electronic information added thereto to insure proper routing through the payment and clearing system to the appropriate payor bank. Electronic information of the sorted checks transmitted for particular payor banks, the equivalent of a cash letter, is included with each electronic bundle of checks.

The electronic check information as sorted, grouped and annotated 14 by the depository bank is sent via an appropriate communication link 15 into the

> payment system 12. The payment system 12 includes clearing institutions such as the Federal Reserve Banks, correspondent banks, The National Clearinghouse Association (described in United States Letters Pat. No. 5,265,007), the electronic check clearing house organization (described in Stephens et al., supra), and like mechanisms. (Emphasis added.)

From the above, it is clear that Geer teaches the creation of an image of a check for archive purposes, and further teaches that the check image "may also be transmitted," i.e., it is optional, to the bank of first deposit. There is no indication that the check image, if it has optionally been sent to the bank of first deposit, is then sent on to the maker/payor bank. There is no direct teaching by Geer that this optional image of the check is included in the transmission from the bank of first deposit to the payor/maker bank. What this teaching by Geer clearly does indicate is that, with its optional nature, the check image is not used as a part of the presentment process at the maker bank. More importantly, if Geer is misconstrued as providing a teaching of optionally transmitting the check image from the bank of first deposit to the maker/payor bank for archival purposes (which it does not), it is a direct teach-away from the claim element that the MICR capture and accounting programs in the bank of first deposit are to be bypassed in the transmission path from the central site to the maker bank. The advantage of the limitation is not only significantly reducing delay in the processing by the maker bank, but also the enhancement of security by eliminating the possibility of the insertion of virus', Trojan horses, or other malicious code while the image and attendant data is passing through the computer links and processing of the bank of first deposit.

It is noted that the Examiner has taken official notice that the limitation "employing a central site to handle the deposited checks on behalf of a bank of first deposit is well known in the art." This statement is traversed in accordance with MPEP 2144.03 and proof is requested . But with all respect, this is not the limitation in the claim. The limitation reads "*the central system transmitting electronic check data and the check image data directly or indirectly to a maker bank or a Federal Reserve Bank or a correspondent bank with the transmitting being in advance of the MICR capture, deposit accounting, cash management, and float processing systems of the bank of first deposit for that deposit transaction.*" What the examiner must address is whether there is a teaching of a central site that bypasses the bank of first deposit MICR capture and accounting processing systems and transmits to the

maker bank. If the examiner is asserting that the foregoing limitation is "well known in the art," then in accordance with MPEP 2144.03, applicants timely traverse/challenge this official notice statement and request that this point of official notice be supported by a citation to a reference, as set forth by the MPEP Office requirements.

Note that even if the examiner can find a reference teaching a central site (which applicants' do not believe exists), there would be no motivation in one of ordinary skill in the art to combine such a teaching with Geer, because Geer directly teaches away from such a combination/modification, as noted above.

Campbell discloses a sending institution 14, e.g., one of a bank of first deposit or the payor bank, sending a check image to a receiving institution 16, e.g., the other of the bank of first deposit or the payor bank. See column 2, lines 35-49 of Campbell. Note that there is no disclosure in Campbell of a remote site sending an image of the check. Additionally, the transmission in Campbell is between two banks. The central system, whether or not it is co-located at a bank of first deposit for convenience, is not a bank MICR capture or bank accounting system (the programmatic systems are different, as per the claims). Moreover, there is no motivation disclosed why someone of ordinary skill would want to modify the Geer method so that the remote site telephone company or any other site could send check images first to a central system that processes checks for multiple different banks of first deposit, (note that the telephone company will have only one bank of first deposit for receiving its checks from the Geer site), and then bypass the telephone company's bank of first deposit and go directly to the maker bank or the Federal Reserve Bank or correspondent bank. Rather Geer discloses a lock-box operation for a telephone company, power company or other business that receives a large number of checks, each with a payment stub identifying the telephone or power company account that is being paid. See the Field of the Invention, column 1, lines 18-24; see the Background of the Invention, column 3, lines 30 – column 4, line 26; and Description of the Preferred Embodiment, column 6, lines 24-66.

The claimed invention of claim 47 covers a comprehensive system to handle and process deposit transactions and direct them after processing to multiple banks of first deposit. The claimed system is designed to handle the problems raised by deposit processing

that is based on image processing wherein multiple banks of first deposit are serviced and multiple maker banks may be serviced.

The examiner is required to examine the claim as a whole. This is not being done. The sum of the individual citations in this four reference combination, even if they could be combined piecemeal (which they cannot because there is a fundamental lack of motivation to combine to obtain applicants' claimed invention) still do not meet the claim as a whole with its image data, its transmission to multiple different banks of first deposit, and its transmissions directly or indirectly to the maker bank or the Federal Reserve Bank or correspondent bank but bypassing the MICR capture, deposit accounting, cash management, and float processing systems of the bank of first deposit, in the context of the other elements.

A prima facie case of obviousness has not been made out per the MPEP and withdrawal of the rejection is respectfully requested.

The foregoing explanation applies equally to claim 75 (program product format), which tracks the limitations of claim 47 in substantial aspects, as well as to claim 103 (system format) which tracks the limitations of claim 47 in substantial aspects. Note that there are numerous dependent claims which are allowable in their own right. Only selected dependent claims will be argued at this time.

Regarding claims 52 and 53, which include various limitations relating to determining whether a maker bank requires a hard copy of a check, the examiner admits that Geer does not disclose such a limitation, but cites Campbell at column 3, lines 45-52 to make up for this deficiency. However, this citation of Campbell makes no reference to a print site. Moreover, Geer teaches away from such a combination with its statements at column 4, lines 1-9, and the description of Geer's first embodiment where the paper checks are destroyed (column 7, lines 26-27) and Geer's second embodiment where the paper checks are not printed at a remote site but rather are physically transported to the maker bank (column 10, lines 50-52).

Regarding claim 54 relating to non-storage if an error is detected, the examiner's comments cannot stand in view of the analysis provided above for the deficiencies of Lowrey.

Regarding claim 55 relating to an electronic notification that a deposit is complete, the examiner cites Geer at column 9, lines 45-50. However, this citation in Geer relates to check dishonors by the payor bank, which is the opposite of completing a deposit at a bank of first deposit.

Regarding claim 58 relating to returns, the examiner cites Geer at column 9, lines 45-50. However, there is no reference in this citation to return check image data being sent. Likewise, the rejection of claim 59 that relates to sending return check image data directly or indirectly to the maker bank, fails for the same reason.

Claim 60 relates to determining, in a re-presentment context, whether a hard copy of the check is required. The examiner cites Geer at column 9, lines 45-50 as meeting this limitation. However, this citation of Geer does not disclose such a hard copy determination. It refers to transmission of electronic information.

Regarding claim 119 that relates to multiple remote sites, the examiner cites Geer at column 7, lines 4-25. However, Geer does not disclose "endorsing and/or voiding the one or more checks to obtain endorsed and voided checks;" or "creating an image of each of a plurality of the endorsed and/or voided checks to obtain endorsed and/or voided check image data;" or "electronically associating the electronic deposit data, the electronic check data and the original check image data and the endorsed and/or voided check image data;" or "transmitting the electronically associated electronic check data and the original check image data and/or the endorsed and/or voided check image to the central system." Geer only provides for adding endorsement information to the electronic record (see Geer at column 7, lines 50-53), not the check itself and does not create an image of this endorsed check, nor electronically associate this endorsed check image with the other data. Thus, the rejection of this claim cannot stand. The examiner states that Geer discloses "the plurality of remote sites are similar to the steps in claim 47 above." However, similarity is not the test and would not be upheld in court.

Regarding claim 121, the examiner states that this limitation regarding determining whether the endorsement information at the remote cite is up-to-date, and if not, then downloading the up-to-date information is obvious. It is timely requested that the examiner substantiate this statement per MPEP 2144.03. This is the second request.

Regarding claim 122 relating to comparing an amount of one or more checks against a deposit maximum, and providing a notice if the deposit exceeds the maximum, the examiner cites Geer at column 9, lines 52-63. However, this citation relates to account balances in checking accounts or savings accounts and contains no reference to a deposit maximum or sending out a notice. Account balances in checking accounts and savings accounts have no relation to a deposit maximum.

Claim 123 relates to the remote site receiving return check image data. The rejection of the examiner relies on Geer at column 9, lines 45-50 and fails for the same reason as the other return claims discussed above.

Claim 135 relates to the central system sending endorsement information to the remote site. The examiner cites Geer at column 11, lines 40-45 to meet this limitation. However, this citation has nothing to so with sending endorsement information, much less sending it from the central system.

It is noted that the Examiner has in the past taken official notice of a number of limitations in accordance with MPEP 2144.03, applicants traverse/challenge these official notice statements based on personal knowledge and request that each point of official notice be supported by a citation to a reference, as set forth by the MPEP Office requirements. This traverse of the official notice is made insofar as these statements of official notice are applied to the claims as amended.

EVIDENTIARY DECLARATION

Additionally, an evidentiary declaration has been provided from Mr. Danne Buchanan, the Chief Executive Officer of NetDeposit Inc., the assignee of this application, and Executive Vice President of E-Business Solutions Group for Zions Bancorporation, a bank holding company that operates more than 325 full-service banking offices throughout the western United States. Mr. Buchanan has 27 years of banking industry experience and was very familiar with competitor check processing operations and competitor thinking at the time of the invention.

Mr. Buchanan has studied the examiner's November 23, 2004 Office Action, as well as the four patents cited by the examiner, namely, Geer, U.S. Patent No. 5,930778, Lowery, U.S. Patent No. 6,189,785, Hanaoka et al., U.S. Patent No. 6,257,783, and Campbell et al. U.S. Patent No. 5,373,550. Based on his 27 years of experience in the banking industry and his knowledge of the ordinary level of skill in the banking industry at the time of the invention, Mr. Buchanan has rendered his opinion that one of ordinary skill in the banking art at the time of the invention would not have been motivated to combine the teachings of the four patents Geer, Hanaoka, Lowery and Campbell to realize any of claims 47, 75 and 103 herein. Specifically, Mr. Buchanan has rendered his opinion that there is no possible reason why a bank of first deposit would set up a central system to process checks for other unrelated banks of first deposit, so that such a modification is not obvious in Geer and would not provide "more efficiency in processing the deposited checks" in the Geer operation.

Additionally, based on his 27 years of experience, his knowledge of the banking industry at the time of the invention and his study of the four cited patents, Mr. Buchanan has stated his firm opinion that the concept of bypassing, i.e., transmitting in advance of the bank of first deposit MICR capture, deposit accounting, cash management, and float processing systems in a transmitting step that transmits both the electronic check and the check image data to the maker bank is not done in the banking industry and is now and at the time of the invention would have been counter-intuitive because the bank of first deposit MICR capture and/or accounting programs (as is done on Geer) control most aspects of the check clearing process. The advantage of the *"being in advance of MICR capture, deposit accounting, cash management, and float processing systems of the bank of first deposit"* limitation is that it not only significantly reduces delay in the processing by the maker bank, but it also enhances security by eliminating the possibility of the insertion of virus,' Trojan horses, or other malicious code while the image and attendant data is passing through the computer links and processing of these systems in the bank of first deposit.

Additionally, based on his 27 years of experience, his knowledge of the banking industry at the time of the invention and his study of the four cited patents, Mr. Buchanan has stated his firm opinion that Geer clearly teaches that the Geer optional check image is not used as a part of the presentment process at the maker bank and that there is no recognition of the use of an image as a fundamental part of the transaction with the maker bank or Federal Reserve Bank or correspondent bank, and importantly, that Geer is a direct teach-away from

the claim element that the accounting programs in the bank of first deposit are to be bypassed in the transmission path from the central system to the maker bank. Thus, Mr. Buchanan concludes that it is his firm opinion that there would be no motivation in one of ordinary skill in the art at the time of the invention to modify Geer to now transmit to the maker bank with the transmission "being in advance of the MICR capture, deposit accounting, cash management, and float processing systems of the bank of first deposit."

Thus, based on his 27 years of experience, his knowledge of the banking industry at the time of the invention and his study of the four cited patents, Mr. Buchanan has stated his firm opinion that there is no motivation to combine the four references cited by the examiner to realize claim 47, and that the sum of the individual citations in this four reference combination still do not meet the claim as a whole with its image data, its transmission to multiple different banks of first deposit, and its transmissions directly or indirectly to the maker bank or the Federal Reserve Bank or correspondent bank but bypassing, i.e., transmitting in advance of the *MICR capture, deposit accounting, cash management, and float processing systems* of the bank of first deposit, in the context of the other elements.

Mr. Buchanan also provided evidence of substantial commercial success of the invention defined by claims 47, 75 and 103, despite the legal requirements to have agreements in place with the millions of potential checkmakers before the invention defined in numbered paragraph 4 could be implemented, a significant practical impediment to implementation.

Then based on his 27 years of experience, his knowledge of the banking industry at the time of the invention and his study of the four cited patents, Mr. Buchanan rendered his firm opinion that the claims 47, 75 and 103 were novel and non-obvious to one of ordinary skill in the banking art at the time of the invention.

In view of the foregoing amendments and remarks, the application is ready for allowance.

Applicant believes that the present application is now in condition for allowance. Favorable reconsideration of the application as amended is respectfully requested.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 19-0741. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. § 1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Respectfully submitted,

Date 5/6/05

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